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# OFFICIALS PONDER FREEZE ON RENTS

## More Questions Are Raised Than Are Answered

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WASHINGTON, Aug. 16—Real estate and housing officials had more questions than answers today on the effects of President Nixon's rent freeze on the nation's 25-million-plus rental apartments and houses.

"To be honest we're trying to get some specifics on this," said an official of the National Association of Real Estate Boards, whose office here received numerous queries today about the President's directive.

"Suppose a rent increase was under negotiation," said the official, whose organization represents about 87,000 of the nation's realtors. "Is it frozen? Until we get some answers, we can't comment."

Under the President's executive order signed today a ceiling was established on rents—as well as on wages and prices—at a level not exceeding that which prevailed during the last 30 days. Thus, according to Federal officials, a rent increase still under negotiation but not actually agreed to, as well as rental increases scheduled to take effect in existing leases, would have to be deferred.

### Clarification Sought

Charles J. Urstadt, the New York State Commissioner of Housing and Community Renewal, also said that he had been trying to reach Federal officials today—without success to clarify the effects of the President's directive on New York and particularly on the nearly 1.3 million rent-controlled apartments and 400,000 rent-stabilized apartments in New York City.

While the White House said that the Office of Emergency Preparedness would monitor the freeze to insure compliance and the Justice Department would be able to seek injunctions and to fine violators, some New York housing officials expressed skepticism that the Federal machinery would be adequate to handle large numbers of alleged violations in such major metropolitan centers as New York.

While Governor Rockefeller issued a statement in New York City today praising Mr. Nixon's over-all economic action, some

housing officials said that the effect of the President's order was to mute at least partially the impact of the state's new vacancy decontrol law, which the Governor helped push through the State Legislature.

The law, which took effect July 1, removes apartments from rent control as they are voluntarily vacated. In signing the law last June over the protest of Mayor Lindsay, Mr. Rockefeller said that rent control in the city "has played havoc with natural market forces, which normally would have matched housing supply to housing demand."

Mr. Urstadt said it appeared that if a landlord had had a vacancy in a controlled building during the month prior to the freeze and had rented the vacant apartment at a higher rate, then the higher rental might become the prevailing rate for other apartments as they became vacant during the period of the freeze.

### Vacancy Case in Question

By contrast, Mr. Urstadt said that he did not know what would happen to a landlord who had not a vacancy and who had not been able to establish a higher rental level before the freeze began.

"There's also the question of increases in co-op maintenance

charges," the commissioner said. "Is that to be considered a rent increase?"

Mr. Urstadt said he did not know the answer to that question. He also raised another: "What about buildings losing money? Do you freeze them into a losing position? That could increase the abandonment problem."

### Confusion in City Agencies

The air of confusion over just how the executive order should be interpreted in the New York rental market was similarly apparent at the city's Housing and Development Administration and its sub-agencies.

"There are some people here who feel that it was not the President's intent to control that part of the market that is already controlled," said a spokesman for the Housing and Development agency. However, he noted that in the absence of any clarification from Washington, Albert A. Walsh, the administrator, had interpreted the order to mean that there shall be no rent increases here during the 90-day period.

Mr. Walsh said: "The Housing and Development Administration will implement the President's rent-freeze directive as being totally applicable to all public and private housing

under its jurisdiction, including rents which would otherwise have been allowed to increase under the state's new vacancy decontrol law."

Most of the major landlord organizations were withholding comment until their representatives could meet to establish a policy on the question. However, the Community Housing Improvement Program, which claims to represent some 2,500 owners of buildings with an aggregate of 250,000 rent-controlled apartments, did comment.

Its chairman, William Moses, said that after consultation with lawyers and representatives of the Housing and Urban Affairs Department, they have arrived at an interpretation far different from the city's. The President's order, he said, holds the line at the highest rents charged during the previous 30 days. Since some apartments were decontrolled under the vacancy decontrol law in that period, he argues that it is these new "market" rents that represent the limits beyond which increases cannot be charged.

Mr. Moses added that should the city's view prevail he would expect most landlords to rent apartments with short-term leases of 30 to 90 days, which would be renegotiated when the control period lapsed.